



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

April 10, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 8913

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Re: Formal Approval of Form and Amount of Reclamation Surety, and Status of Permit Conditions, Star Stone Quarries, Inc., Heber Quarry Mine, M/051/001, Wasatch County, Utah

Dear Mr. Thomas:

On April 6, 2001, the Associate Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety for Star Stone Quarries, Inc.'s Heber Quarry mine. The reclamation surety in the amount of \$68,000 is in the form of a surety bond () issued by Redland Insurance Company.

As you are aware, Redland Insurance Company is not listed on the Federal Register of Acceptable Bonding Companies. The Division rules are in the process of being changed which will require a surety company to be on this federal listing in order to be accepted. When those rules are finalized and adopted, we may require a replacement surety that is listed on the Federal Register.

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files. We are releasing the \$28,000 Certificate of Deposit (CD) # issued by First Security Bank and returning the original CD to you. We will prepare a letter to First Security Bank authorizing them to release the CD back to you.

Please notice that the second paragraph of the surety bond still has the final approval date left blank. We are unable to grant final approval of this permit until all the conditions in the Division's Order have been satisfied. The status of the conditions to that Order are attached to this letter

Thank you for your help in finalizing this permitting action. We hope to be able to finalize the Heber Quarry Mine permit before the end of May. Please call me if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure: CD#2732560 w/cover letter, copies of RC & Surety Bond

Attachment: Conditions

cc: Al Mickelsen, Wasatch Co.
M51-01-surety.doc



Status of Conditions to Division Order - Dated December 20, 2000
Heber Quarry
M/051/001
(April 10, 2001)

Condition A - requires that a \$68,000 reclamation surety be posted with the Division within 30 days.

Surety bond issued by Redland Insurance Company - #

Condition A Satisfied

Condition B - requires the permit area boundary to be marked with metal fence posts within 30 days.

The time frame was extended to May 1, 2001 so that the snow will be gone prior to doing this work (safety concerns). A phone call on March 28, 2001 confirmed that there is still 6 – 8 inches of snow on the site, but the operator still anticipates meeting the May 1 deadline.

Condition C - requires a blasting protocol be developed within 30 days which will adequately warn nearby residents of the applicant's intent to blast within the Heber Quarry.

The operator provided a blasting protocol within the 30 days. The Division made comments on January 24, 2001. The operator responded to the Division comments and has accepted the Division's suggested changes to the protocol. Two minor issues need to be resolved with the plan as proposed.

- 1) Your plan did not indicate what the "All Clear" signal is (see item D of your plan). This clarification needs to be identified in the plan; and*
- 2) The size of the proposed sign is inadequate. The sign needs to be large enough to be conspicuous to anyone visiting the site and should be easily read from the access road. It is suggested that the sign be at least 2 feet by 3 feet and the lettering be a minimum of 1-inch high, (large enough to fill the sign).*

Condition D - requires the operator to publish a notice of its intention to conduct a meeting to review and describe the blasting protocol with the interested public.

It is now appropriate to plan a public meeting no later than May 1, 2001, to discuss the blasting protocol. The meeting purpose, time and location needs to be published in the Wasatch Wave paper in Heber City, Utah at least one week prior to the meeting. Proof of publication must be forwarded to the Division. Notice of the public meeting should also be mailed to the adjacent land owners. A copy of the mailing certificate should also be sent to the Division (see example). Public input at the meeting may demonstrate a need to revise the plan before final Division approval is granted.

Condition E - did not require a response from the operator at this time.

The Division is reviewing the Mining and Reclamation Plan to insure that off-site sedimentation control is adequate to meet the needs of Part 40-8-12(2) of the Utah Mined Land Reclamation Act. An onsite inspection to address the public concern will be scheduled by Division staff within the next two weeks.

Condition F - requires the operator to meet with Wasatch County Planning and Zoning Department to determine what activities are necessary to achieve compliance with Wasatch County's ordinances and requirements. The Division is to be notified of the date, time and place of this meeting.

This meeting was held on February 1, 2001. The operator is working with the County to comply with the County requirements.

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the Notice of Informal Hearing for Star Stone Quarries, Inc.'s proposed expansion for their Heber Quarry to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 1st day of November, 2000 to:

FACSIMILE: 237-2776 and
E-MAIL: naclegal@nacorp.com
Salt Lake Tribune
Advertising Department
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

FACSIMILE: (435) 654-5085
E-MAIL: editor@wasatchwave.com
The Wasatch Wave
Legal Advertising
165 South 100 West
P.O. Box 128
Heber City, Utah 84032-3040

Robert Mathis
Wasatch County Planning and Zoning
25 North Main
Heber, Utah 84032

Al Mickelsen
Wasatch County Planning
25 North Main Street
Heber City, Utah 84032

Veigh X. Cummings and
Timber Lakes Corporation
4609 South State Street
Salt Lake City, Utah 84107-3815

Paul & Betty Jean Fitzgerald
1123 East 7625 South
Midvale, Utah 84047-2960

HMC Investment Corporation
80 North 850 East, Suite D
Lehi, Utah 84043-9576

Heber Light and Power Company
45 South 100 West
Heber City, Utah 84032-1841

Twin Creeks Special Service District
55 West Center Street
Heber City, Utah 84032-1815

Marvin V. Peterson
982 Lake Creek Way
Heber City, Utah 84032-9621

Mr. & Mrs. Lewis W. Chappell
932 Lake Creek Way
Heber City, Utah 84032-9621

Gary Ashby
3676 South 500 East
Salt Lake City, Utah 84106-1128

Dr. & Mrs. Paul W. Broadbent
782 Lake Creek Way
Heber City, Utah 84032-9618

Jay Fred Price
712 South Center
Midway, Utah 84049

Robert A. Fuller
640 Pole Drive
Heber City, Utah 84032

Barry & Rebecca Berkin
842 Lake Creek Way
Heber City, Utah 84032

Peter & Beverly McDermott
7584 Ballinshire North Drive
Indianapolis, Indiana 46254

Kyle & Valorie Cummings
1023 Pole Drive
Heber City, Utah 84032-9617

Glade & Karren Weight
932 Pole Drive
Heber City, Utah 84032

Brian & Kellee Felsch
90 River Road
Midway, Utah 84049-6841

Jill Bills
982 Pole Drive
Heber City, Utah 84032-9616

Don E. Burns
Box 923
Midway, Utah 84049

Quinn & Teri Rich
985 Lake Creek Way
Heber City, Utah 84032-9621

Chad & Kris Richardson
1025 Lake Creek Way
Heber City, Utah 84032

Mike & Elizabeth Lehner
700 Pole Drive
Heber City, Utah 84032-9614

Dee and Debbie Eggett
742 Pole Drive
Heber City, Utah 84032-9614

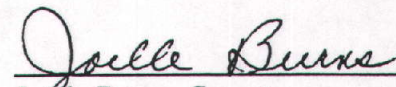
Scott and Stefene Cook
856 Pole Drive
Heber City, Utah 84032

Patrick McGowan
889 Pole Drive
Heber City, Utah 84032-9615

Joel & Cynthia Sedgwick
PO Box 563
Heber City, Utah 84032-0563

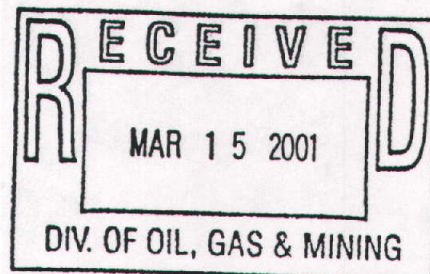
Valorie Willoughby
1020 Pole Drive
Heber City, Utah 84032-9616

Kay F. Schultz
EMAIL: schrk@xmission.com


Joelle Burns, Secretary

o:\heber-informal hearing

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/051/001
(Mineral Mined) Sandstone

"MINE LOCATION":
(Name of Mine) Heber Quarry
(Description) 4.9 miles east of Main Street in
Heber City, on Center Street

"DISTURBED AREA":
(Disturbed Acres) 15
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Star Stone Quarries, Inc.
(Address) 4040 South 300 West
Salt Lake City, Utah 84107
(Phone) (801) 262-4300

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Lon A. Thomas
4040 South 300 West
Salt Lake City, Utah 84107

(Phone)

(801) 262-4300

"OPERATOR'S OFFICER(S)":

Lon Thomas, President
Beverly Thomas, Secretary - Treasurer

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Redland Insurance Company

"SURETY AMOUNT":

(Escalated Dollars)

\$68,000

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Star Stone Quarries, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/051/001 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated July 13, 2000, and the original Reclamation Plan dated July 13, 2000. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Star Stone Quarries, Inc.
Operator Name

By Lon A. Thomas
Authorized Officer (Typed or Printed)

President
Authorized Officer - Position

x Lon Thomas
Officer's Signature

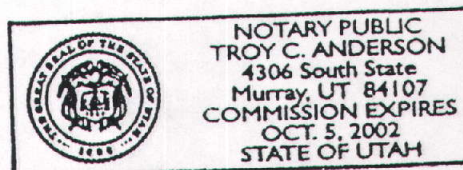
x 3-12-01
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 12 day of March, 20 01, personally
appeared before me Lon Thomas who being
by me duly sworn did say that he/she, the said Lon Thomas is
the President of Star Stone Quarries Inc
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Lon Thomas duly acknowledged to me that said company
executed the same.

Troy C Anderson
Notary Public
Residing at: Murray

10-5-2002
My Commission Expires:



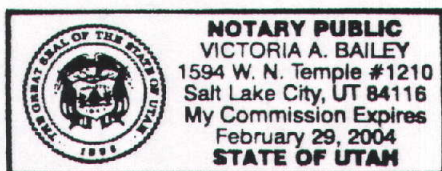
DIVISION OF OIL, GAS AND MINING:

By Mary Ann Wright
Mary Ann Wright, Associate Director

Date April 6, 2001

STATE OF Utah)
COUNTY OF SALT LAKE) ss:

On the 6th day of April, 2001, Mary Ann Wright personally appeared before me, who being duly sworn did say that ~~he~~ she, the said Mary Ann Wright is the Associate Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and ~~he~~ she duly acknowledged to me that ~~he~~ she executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey
Notary Public
Residing at: Salt Lake City, UT

February 29, 2004
My Commission Expires:

ATTACHMENT "A"

Star Stone Quarries, Inc.

Operator

Heber Quarry

Mine Name

M/051/001

Permit Number

Wasatch

County, Utah

The legal description of lands to be disturbed is:

W 1/2 of SE 1/4

and

E 1/2 of SW 1/4

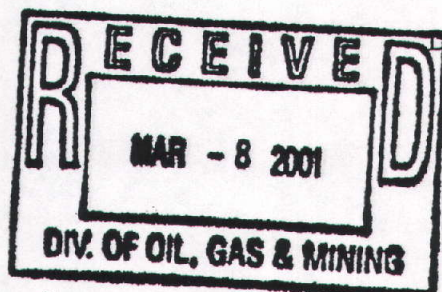
Section 6, Township 4 South, Range 6 East, SLBM

Wasatch County, Utah

ATTACHMENT B

FORM MR-5
January 19, 2000

Bond Num [REDACTED]
Permit Number M/051/001
Mine Name HEBER QUARRY



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT.

SURETY BOND

The undersigned STAR STONE QUARRIES, INC., as Principal, and REDLAND INSURANCE COMPANY, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of SIXTY EIGHT THOUSAND AND NO/00***** dollars (\$68,000.00*****).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the _____ day of _____, 20 __, that 15 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

STAR STONE QUARRIES, INC.

Principal (Permittee)

Lon Thomas

By (Name typed):

Pres.

Title

Lon Thomas

Signature

3 - 7 - 01

Date

Surety Company

REDLAND INSURANCE COMPANY

Surety Company Name

ANDREW C. ALLISON

Surety Company Officer

ATTORNEY-IN-FACT

Title/Position

A.C. Allison

Signature

222 S. 15TH ST., 6TH FLOOR

Street Address

OMAHA, NE 68102

City, State, Zip

(402) 344-8800

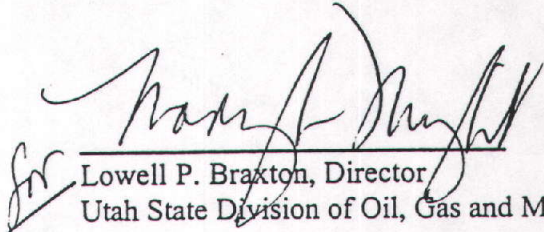
Phone Number

FEBRUARY 23, 2001

Date

SO AGREED this 6th day of April, 20 01.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:


for Lowell P. Braxton, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

On the 23RD day of FEBRUARY, 20 Q1, ANDREW C. ALLISON
personally appeared before me, who being by me duly sworn did say that he/she, the said
ANDREW C. ALLISON is the ATTORNEY-IN-FACT of
REDLAND INSURANCE COMPANY and duly acknowledged that said instrument was
signed on behalf of said company by authority of its bylaws or a resolution of its board of
directors and said ANDREW C. ALLISON duly acknowledged to me that said
company executed the same, and that he/she is duly authorized to execute and deliver the
foregoing obligations; that said Surety is authorized to execute the same and has complied in all
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and
obligations.

Title: ATTORNEY-IN-FACT

Subscribed and sworn to before me this 23RD day of FEBRUARY, 20 01.

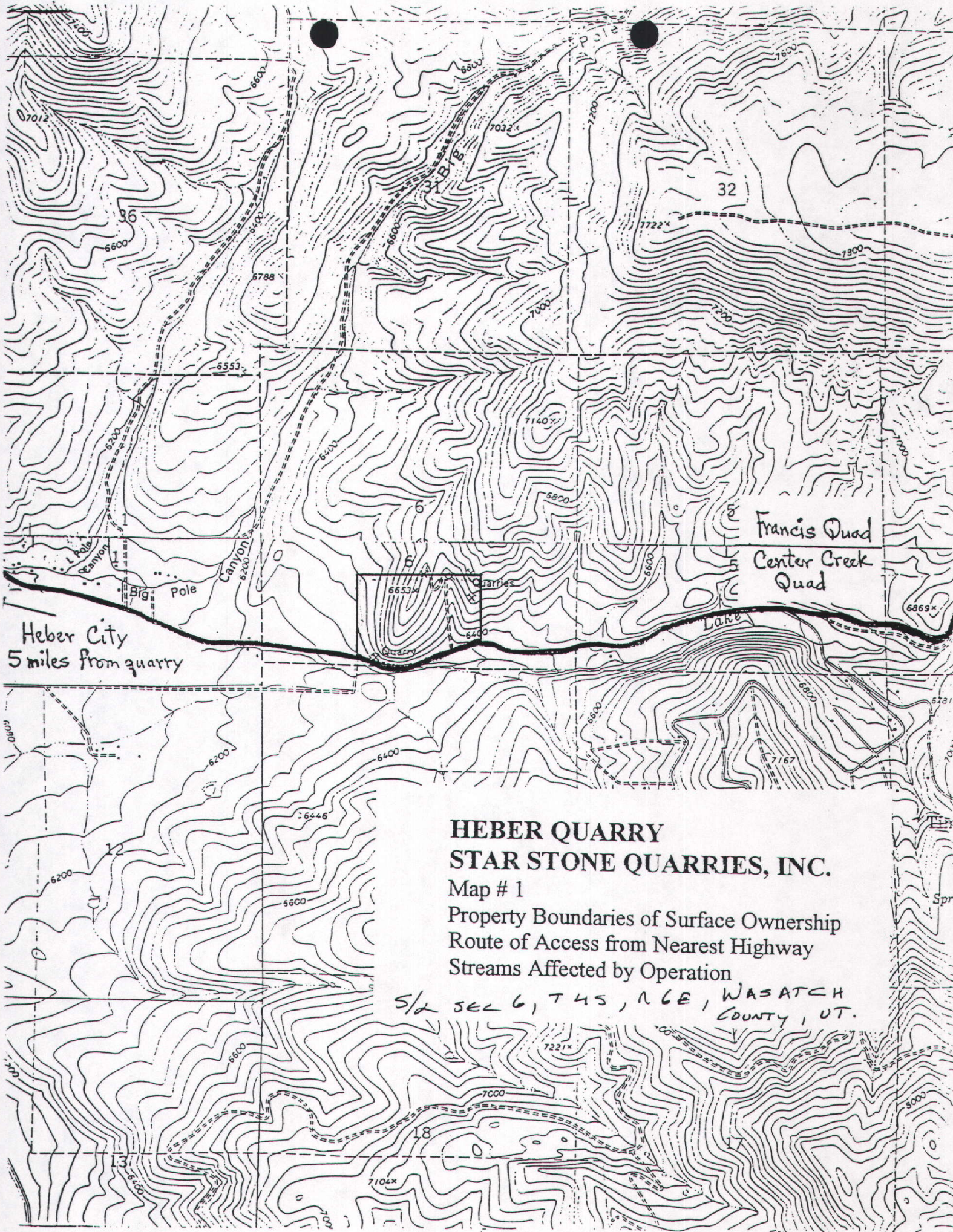
My Commission Expires:

9-10, 20 01

EXHIBIT "A"

Legal description of the quarry is as follows:

W $\frac{1}{2}$ of SE $\frac{1}{4}$ and E $\frac{1}{2}$ of SW $\frac{1}{4}$ of SECT. 6, TOWNSHIP 4S, RANGE 6E, SLBM, WASATCH COUNTY, UTAH. 15 ACRES MOL.



**HEBER QUARRY
STAR STONE QUARRIES, INC.**

Map # 1

Property Boundaries of Surface Ownership
Route of Access from Nearest Highway
Streams Affected by Operation

S/4 SEC 6, T4S, N6E, WASATCH
COUNTY, UT.

POWER OF ATTORNEY

ACCEPTANCE INSURANCE COMPANY

REDLAND INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That ACCEPTANCE INSURANCE COMPANY AND REDLAND INSURANCE COMPANY (Collectively referred to as "Company"), having its executive Offices in County of Douglas, State of Nebraska, has made, constituted and appointed, and does by these presents make, constitute and appoint:

Andrew C. Allison; Tina E. Switzer; Altus E. Wilder, III

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof in any amount up to \$3,000,000 for any single obligation and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 18th day of October, 1993, and said Resolution has not been amended or repealed:

"RESOLVED, that the Chairman of the Board, the President, an Executive Vice President or a Vice President be, and that each of them is, authorized to execute Powers of Attorney qualifying the Attorney(s)-in-Fact named in the given Power of Attorney to execute in behalf of the Company, bonds, undertakings and other instruments of similar nature, and said officers may rename any such Attorney(s)-in-Fact or agent and revoke any Power of Attorney previously granted to such person.

FURTHER RESOLVED, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with respect to any bond, undertaking or instruments of similar nature to which it is attached."

IN WITNESS WHEREOF, the Company has caused these presents to be signed by its Vice-President and its corporate seal to be hereunto affixed this 22ND day of APRIL, 1999.



ACCEPTANCE INSURANCE COMPANY
REDLAND INSURANCE COMPANY

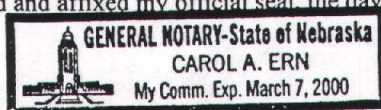
by: 

John R. Svoboda, Vice President

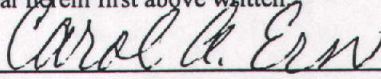
STATE OF NEBRASKA)
COUNTY OF DOUGLAS)^{ss}

On this 22nd day of April, 1999, before me personally came John R. Svoboda to me known, who, being by me duly sworn, did depose and say: that he is a Vice President of ACCEPTANCE INSURANCE COMPANY and REDLAND INSURANCE COMPANY, the Corporations described in and which executed the above instrument; that he knows the seals of said Corporations; that the seals affixed to the said instrument are such corporate seals; that the same were so affixed by order of the Board of Directors of said Corporations and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first above written.



CERTIFICATE

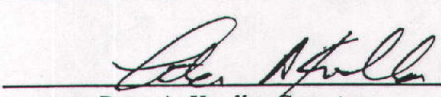

Carol A. Ern, Notary Public

STATE OF NEBRASKA)
COUNTY OF DOUGLAS)^{ss}

I, the undersigned, Secretary of ACCEPTANCE INSURANCE COMPANY and REDLAND INSURANCE COMPANY, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the POWER OF ATTORNEY executed by said Companies which is in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors set forth in the Power of Attorney is now in force.

Signed and sealed at the County of Douglas. Dated the 23rd day of FEBRUARY, 2001.




Peter A. Knolla, Secretary

IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT, YOU ARE URGED TO CONTACT OUR POWER OF ATTORNEY CUSTODIAN AT 402-344-8800 WHOSE OFFICE IS LOCATED AT 222 SOUTH 15th STREET, SUITE 600 N.; OMAHA, NE 68102.



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Best's Ratings

Page 1 of 1

Choose: ▸ [All Companies](#) ▸ [Secure Rated](#)

1 companies found, results sorted by Company Name

Criteria Used: Company Name starting with REDLAND INSURANCE

▲AMB #	▲Business Type	◆Company Name	◆Rating	◆Domicile
12413	P	Redland Insurance Company	<u>A</u>	United States: Iowa

*Ratings as of 3/1/2001 11:32:26 AM E.S.T.

Business Types:

P = Property/Casualty (non-life)

L = Life/Health

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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

October 8, 1998

*Surety replaced -
the original C.D.
returned to operator
4/10/2001.*

First Security Bank
405 South Main
Salt Lake City, Utah 84110

Attention: Lori Otero, Manager

Re: Certificate of Deposit for American Stone, Heber Quarry, M/051/001, Wasatch County, Utah

This is in regards to regulatory requirements of the mining statute and rules of the State of Utah, Division of Oil, Gas and Mining, governing the operations and reclamation of the Heber Quarry, Permit Number M/051/001, operated by American Stone.

A Certificate of Deposit will be issued by First Security Bank for \$28,000 and be automatically renewable upon expiration. The Certificate should be made out in the name of the State of Utah, Division of Oil, Gas and Mining. The interest earned by the Certificate of Deposit for the first three months will be added back on to the Certificate of Deposit. After that, the interest earned will be dispersed quarterly and deposited into American Stone's account. If the Certificate is redeemed before the maturity date and the penalty reduces the face value of \$28,000, the State of Utah, Division of Oil, Gas and Mining will go to American Stone for reimbursement of that loss. If redeemed after the maturity date, then \$28,000 will go to the State of Utah, Division of Oil, Gas and Mining and the remaining balance will go to American Stone's account. The Certificate of Deposit can only be redeemed by the State of Utah, Division of Oil, Gas and Mining.

If the statute or rules of the State of Utah, Division of Oil, Gas and Mining are violated with respect to the operation or reclamation of the Heber Quarry covered by this surety, the State of Utah, Division of Oil, Gas and Mining has the authority to call the Certificate on demand, for the full amount of \$28,000. Any loss due to an early redemption penalty will be the responsibility of American Stone and will not be the expense or responsibility of the State of Utah.

The Division Director's signature, Lowell P. Braxton (or the appropriate Division Director at that time), will be required to call the Certificate or release said funds back to American Stone.

First Security Bank will not be held liable for any dispute between the parties. These rules pertain to the Certificate of Deposit Number: _

Agreed upon by:

Lowell P. Braxton

Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Lon Thomas

Lon Thomas, President
American Stone

Tax I.D. Number: _____

Tax I.D. Number: _____

First Security Bank Bank, N.A.

Office: Fourth South Metro Branch

Date: 09211998

Account Number:

Owner(s): AMERICAN STONE THOMAS 870320130
STATE OF UTAH-HEBER

You have deposited \$ 28,000.00 into a First Security Bank MONEY MASTER CERTIFICATE-Fixed Rate
for a term of 24 MONTHS with a maturity date of 09212000 . The interest rate is 5.390 % with an
annual percentage yield of 5.500 %. The annual percentage yield was calculated, using the terms you requested, with the interest
compounded QUARTERLY, paid QUARTERLY, by depositing to the account.

Thank you for opening a Time Deposit Account with First Security Bank.

Opened by: Allison Knudson

Flex Option - Allison Knudson
This is a receipt for funds you have placed on deposit with First Security Bank. It need not be presented when you wish to withdraw funds from your account. Your account is subject to the terms stated above and to the following conditions. The terms "we", "our" and "us" mean First Security Bank.

SPECIFIC ACCOUNT CONDITIONS☒ **Money Master Insured Certificate of Deposit Account - Fixed Rate**

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new interest rate and annual percentage yield may be assigned when the deposit renews, which will remain fixed until the next maturity date. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits to this account are not permitted except at maturity.

☐ **Money Master Insured Certificate of Deposit Account - Variable Rate**

- The interest rate and annual percentage yield on this account may change at any time at our discretion.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new, variable interest rate and annual percentage yield may be assigned when the deposit renews. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits of at least \$100 may be made to this account at any time. Deposits by an automatic transfer from a First Security Bank checking or savings account may be made in any amount.

☐ **Special Day Certificate of Deposit Account**

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from fourteen (14) days to five (5) years. The specific term you have chosen is disclosed above.
- This account will not automatically renew at maturity. If you do not renew the account, your deposit will be placed in a non-interest earning account. No interest will be paid after final maturity.
- A deposit of at least \$500 is required to open this account unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a deposit of at least \$10,000 is required to open the account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a daily balance of at least \$10,000 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than this minimum balance requirement.
- Additional deposits to this account are not permitted.